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Cy 9 of 9

5 MAY 1966

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MEMORANDUM FOR THE RECORD

NRO REVIEW COMPLETED

SUBJECT: OSA Budget Submissions

1. On 28 April 66, [] telephonically advised that he had just returned from a conference with [] NRO Comptroller, during which the following topics were raised:

a. Our understanding of program versus project approval,

b. The U-2R paper,

c. The development of IDEALIST flying hours,

d. Pratt & Whitney obligations versus expenditure funding, and

e. []

2. Regarding the authority to reprogram monies within approved programs, [] suggested that this encompassed approved line items in the budget; the undersigned took the contra position that the approval encompassed a project unless there was specific NRO subsystem controls, i.e., OXCART airframe, engines and other accounts as three major OXCART funding control elements. With this impasse, the undersigned suggested the subject areas needed further definition. The foregoing was brought to the attention of Gen. Ledford and it was agreed within OSA we will continue as we have in the past pending formal clarification and/or instructions.

3. In the rewrite of the U-2R paper, [] indicated [] required a complete cost schedule including operating costs and the indication of our plans for the present fleet. In discussions with Gen. Ledford, he indicated that he wanted it clearly understood all we were requesting is the differential funds, i.e., new money required above that presently forecast for IDEALIST equipment and operations. Programs Staff, OSA, is responsible for drawing together the revised U-2R paper.

4. [] indicated [] would require in our '67 forecast specific flying-hour information by IDEALIST Aircraft in '66. It was agreed this information will be obtained and forwarded as a supplemental submission

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to avoid holding up the submission of the '67 operating budget to NRO on 2 May 66.

5. [] indicated [] also required a supplemental submission in our Pratt & Whitney engine support area placing this account on an obligation basis during '67. I agreed to prepare the required document.

6. [] further advised that he had no funds to offset the [] funding problem and [] took the position this matter had to be resolved within resources presently available to CIA. [] was advised that this matter should be concluded by DD/S&T in conference with D/R/CIA and the Office Directors involved.

7. As suggested in the foregoing, these topics were brought to the attention of Gen. Ledford. Action responsibility for response will be Programs Staff, OSA.

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[]
Chief, Programs Staff
(Special Activities)

PS/OSA [] 4 May 66

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